

109TH CONGRESS
1ST SESSION

H. R. 392

To establish a grant program to enhance the financial and retirement literacy of mid-life and older Americans and to reduce financial abuse and fraud among such Americans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2005

Mr. LYNCH introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To establish a grant program to enhance the financial and retirement literacy of mid-life and older Americans and to reduce financial abuse and fraud among such Americans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Retirement Security
5 Education Act of 2005”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Improving financial literacy is a critical and
2 complex task for Americans of all ages.

3 (2) Low levels of savings and high levels of per-
4 sonal and real estate debt are serious problems for
5 many households nearing retirement. Personal sav-
6 ings rates have fallen to a dangerously low 2 per-
7 cent.

8 (3) Approximately half of working Americans
9 have any form of pension coverage. Today, just 21
10 percent of workers have defined benefit coverage and
11 just 27 percent of workers are enrolled in 401(k)s.

12 (4) Because women have longer life
13 expectancies, the number of poor older women is
14 more than twice the number of poor older men.
15 Studies have also found that there is a substantial
16 gender gap in all sources of retirement income in-
17 cluding Social Security, pensions, savings and earn-
18 ings from post-retirement employment.

19 (5) The more limited timeframe that mid-life
20 and older individuals and families have to assess the
21 realities of their individual circumstances, to recover
22 from counter-productive choices and decision-making
23 processes, and to benefit from more informed finan-
24 cial practices, has immediate impact and near term

1 consequences for Americans nearing or of retirement
2 age.

3 (6) Research indicates that there are now 4
4 basic sources of retirement income security. Those
5 sources are social security benefits, pensions and
6 savings, healthcare insurance coverage, and, for an
7 increasing number of older individuals, necessary
8 earnings from working during “retirement” years.

9 (7) The Congressional Budget Office has found
10 that about a quarter of baby-boomer households
11 have so far failed to accumulate significant savings
12 and that they appear likely to depend entirely on
13 government benefits in retirement.

14 (8) Over the next 30 years, the number of older
15 individuals in the United States is expected to dou-
16 ble, from 35,000,000 to nearly 75,000,000, and
17 long-term care costs are expected to skyrocket.

18 (9) Over the next 25 years, the number of indi-
19 viduals over 65 years of age requiring long term care
20 services is expected to double to approximately 12
21 million.

22 (10) Fraud against older individuals, including
23 telemarketing schemes, predatory lending, identity
24 theft and Internet fraud has risen dramatically.

1 **SEC. 3. GRANT PROGRAM TO ENHANCE FINANCIAL AND RE-**
2 **TIREMENT LITERACY AND REDUCE FINAN-**
3 **CIAL ABUSE AND FRAUD AMONG MID-LIFE**
4 **AND OLDER AMERICANS.**

5 (a) **AUTHORITY.**—The Secretary is authorized to
6 award grants to eligible entities to provide financial edu-
7 cation programs to mid-life and older individuals who re-
8 side in local communities in order to—

9 (1) enhance and promote knowledge of financial
10 issues, long-term care, and retirement issues among
11 such individuals; and

12 (2) reduce financial abuse and fraud, including
13 telemarketing, mortgage, and pension fraud, among
14 such individuals.

15 (b) **ELIGIBLE ENTITIES.**—An entity is eligible to re-
16 ceive a grant under this section if such entity is—

17 (1) a State agency or area agency on aging; or

18 (2) a non-profit organization organized under
19 section 501(c)(3) of the Internal Revenue Code with
20 a proven record of providing—

21 (A) services to mid-life and older individ-
22 uals;

23 (B) consumer awareness programs; or

24 (C) supportive services to low-income fami-
25 lies.

1 (c) APPLICATION.—An eligible entity desiring a grant
2 under this section shall submit an application to the Sec-
3 retary in such form and containing such information as
4 the Secretary may require, including a plan for continuing
5 the programs provided with grant funds under this section
6 after the grant expires.

7 (d) LIMITATION ON ADMINISTRATIVE COSTS.—A re-
8 cipient of a grant under this section may not use more
9 than 4 percent of the total amount of the grant in each
10 fiscal year for the administrative costs of carrying out the
11 programs provided with grant funds under this section.

12 (e) EVALUATION AND REPORT.—

13 (1) ESTABLISHMENT OF PERFORMANCE MEAS-
14 URES.—The Secretary shall develop measures to
15 evaluate the programs provided with grant funds
16 under this section.

17 (2) EVALUATION ACCORDING TO PERFORMANCE
18 MEASURES.—Applying the performance measures
19 developed under paragraph (1), the Secretary shall
20 evaluate the programs provided with grant funds
21 under this section in order to—

22 (A) judge the performance and effective-
23 ness of such programs;

1 (B) identify which programs represent the
2 best practices of entities developing such pro-
3 grams for mid-life and older individuals; and

4 (C) identify which programs may be rep-
5 licated.

6 (3) ANNUAL REPORTS.—For each fiscal year in
7 which a grant is awarded under this section, the
8 Secretary shall submit a report to Congress con-
9 taining a description of the status of the grant pro-
10 gram under this section, a description of the pro-
11 grams provided with grant funds under this section,
12 and the results of the evaluation of such programs
13 under paragraph (2).

14 **SEC. 4. NATIONAL TRAINING AND TECHNICAL ASSISTANCE**
15 **PROGRAM.**

16 (a) AUTHORITY.—The Secretary is authorized to
17 award a grant to 1 or more eligible entities to—

18 (1) create and make available instructional ma-
19 terials and information that promote financial edu-
20 cation; and

21 (2) provide training and other related assist-
22 ance regarding the establishment of financial edu-
23 cation programs to eligible entities awarded a grant
24 under section 3.

1 (b) ELIGIBLE ENTITIES.—An entity is eligible to re-
 2 ceive a grant under this section if such entity is a non-
 3 profit organization organized under Section 501(c)(3) of
 4 the Internal Revenue Code with substantial experience in
 5 the field of financial education.

6 (c) APPLICATION.—An eligible entity desiring a grant
 7 under this section shall submit an application to the Sec-
 8 retary in such form and containing such information as
 9 the Secretary may require.

10 (d) BASIS AND TERM.—The Secretary shall award a
 11 grant under this section on a competitive, merit basis.

12 **SEC. 5 SENSE OF CONGRESS.**

13 It is the sense of Congress that, in providing assist-
 14 ance under this Act, the Secretary should place a high pri-
 15 ority on the provision of such assistance to organizations
 16 that have demonstrated experience in providing financial
 17 education to older women.

18 **SEC. 6. DEFINITIONS.**

19 In this Act:

20 (1) AREA AGENCY ON AGING.—The term “area
 21 agency on aging” has the meaning given such term
 22 in section 102 of the Older Americans Act of 1965
 23 (42 U.S.C. 3002).

24 (2) FINANCIAL EDUCATION.—The term “finan-
 25 cial education” means education that promotes an

1 understanding of consumer, economic, and personal
2 finance concepts, including saving for retirement,
3 long-term care, and estate planning and education
4 on predatory lending, identity theft, and financial
5 abuse schemes.

6 (3) MID-LIFE INDIVIDUAL.—The term “mid-life
7 individual” means an individual aged 45 to 64 years.

8 (4) OLDER INDIVIDUAL.—The term “older indi-
9 vidual” means an individual aged 65 or older.

10 (5) SECRETARY.—The term “Secretary” means
11 the Secretary of Health and Human Services.

12 (6) STATE AGENCY.—The term “State agency”
13 has the meaning given such term in section 102 of
14 the Older Americans Act of 1965 (42 U.S.C. 3002).

15 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) AUTHORIZATION.—There is authorized to be ap-
17 propriated to carry out this Act, \$100,000,000 for each
18 of the fiscal years 2006 through 2010.

19 (b) LIMITATION ON FUNDS FOR EVALUATION AND
20 REPORT.—The Secretary may use to carry out section
21 3(e) not more than \$200,000 of the amount appropriated
22 under subsection (a) for each fiscal year.

23 (c) LIMITATION ON FUNDS FOR TRAINING AND
24 TECHNICAL ASSISTANCE.—The Secretary shall use to
25 carry out section 4 not less than 5 percent, and not more

1 than 10 percent, of the amount appropriated under sub-
2 section (a) for each fiscal year.

○